

STATE OF SOUTH CAROLINA

(Caption of Case)

232708
232709
BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

COPY

Posted: 10/10/11

Dept: S.A.

Date: 10/10/11

Time: 3:55

DOCKET/NDI

NUMBER: 2011 - 158 - E

(Please type or print)

Submitted by: Bonnie Shealy

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

RECEIVED

OCT 16 2011

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ROBINSON MCFADDEN
ATTORNEYS AND COUNSELORS AT LAW

ROBINSON, MCFADDEN & MOORE, P.C.
COLUMBIA, SOUTH CAROLINA

October 10, 2011

VIA ELECTRONIC FILING

Jocelyn Boyd, Chief Clerk of the Commission
Public Service Commission of South Carolina
Synergy Business Park, Saluda Building
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Columbia, South Carolina 29210

RECEIVED

OCT 10 2011

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**Re: Application of Duke Energy Carolinas and Progress Energy Carolinas to
Engage in a Business Combination Transaction
Docket No. 2011-158-E**

Dear Ms. Boyd:

Enclosed for filing is the Response of Duke Energy Carolinas, LLC and Progress Energy Carolinas, Inc. to the Joint Motion to Hold the Proceeding in Abeyance. By copy of this letter we are serving the same on the parties of record and the South Carolina Office of Regulatory Staff. If you have any questions, please have someone on your staff contact me.

Yours truly,

ROBINSON, MCFADDEN & MOORE, P.C.

Frank R. Ellerbe, III

/bds
Enclosure

cc/enc: Kodwo Ghartey-Tagoe, Vice President Legal, State Regulation (via email)
Len Anthony, General Counsel (via email)
Parties of Record (via email & U.S. Mail)

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2011-158-E

In the Matter of)	RESPONSE OF DUKE ENERGY CAROLINAS,
)	LLC AND PROGRESS ENERGY CAROLINAS,
Application of Duke Energy Carolinas,)	INC. TO JOINT MOTION TO HOLD
LLC and Progress Energy Carolinas,)	PROCEEDING IN ABEYANCE
Inc. to Engage in a Business)	
Combination Transaction)	
)	

Pursuant to Public Service Commission of South Carolina ("the Commission") Regulation 103-829 and the Commission's October 5, 2011, Directive in Docket No. 2011-158-E, Duke Energy Carolinas, LLC ("DEC") and Progress Energy Carolinas, Inc. ("PEC") (collectively referred to as "the Applicants") submit their response to the Joint Motion to Hold Proceeding in Abeyance ("Joint Motion") filed by Central Electric Power Cooperative, the Electric Cooperatives of South Carolina, and the South Carolina Office of Regulatory Staff.

1. The Applicants do not oppose the Joint Motion to hold this proceeding in abeyance until the Applicants have submitted their proposed mitigation plan to the Federal Energy Regulatory Commission ("FERC"). The Applicants intend to file the proposed mitigation plan before the end of October 2011 and the Applicants urge the Commission to reschedule the testimony filing deadlines and hearing in this matter as soon as possible after the proposed mitigation measures are filed.
2. This proceeding involves approval of the proposed Joint Dispatch Agreement ("JDA") between PEC and DEC. Only one of the mitigation options identified by FERC in its September 30, 2011, order could materially impact the JDA. That option

is PEC and DEC forming or joining a Regional Transmission Organization. The Applicants commit to the Commission that they will not propose this option.

3. Once the FERC filing is made the Commission and other parties will know that the JDA will not be materially impacted and it will be appropriate to move forward with this proceeding. Moving forward as requested by the Applicants will remove the possibility that this proceeding will delay the implementation of the JDA thus denying PEC's and DEC's customers the savings generated by the JDA. Applicants submit that such delay should be avoided and is not in the public interest. The JDA will begin generating savings for PEC's and DEC's customers immediately upon its implementation. Delaying the realization of this benefit serves only to harm the electric customers of South Carolina. In addition, the \$650 million of guaranteed fuel savings contained in the settlement agreement entered into by the Applicants and the ORS does not occur until the merger is approved. The JDA is an integral element of the merger, so delaying approval of the JDA also impacts the receipt of this benefit by South Carolinians.
4. In addition, it should be recognized that at the time the Commission established the current procedural schedule nothing was known with regard to whether the FERC would approve the merger, and if it did, what conditions it would place on such approval. The FERC's September 30, 2011, order has removed much uncertainty regarding the FERC's position. FERC has rejected all challenges to the merger except the single market power screen issue. Thus, the FERC's order has removed not added uncertainty.

5. Thus, the Applicants request that the Commission reschedule testimony filing dates and the hearing in this matter as soon as possible after the filing of the Applicants' mitigation proposal with the FERC.

WHEREFORE, the Applicants request the Commission to only hold this proceeding in abeyance until they file their mitigation plan with the FERC and to reschedule testimony filing dates and the hearing in this matter immediately upon the filing of such mitigation proposal.

Respectfully submitted this 10th day of October, 2011.

ROBINSON, MCFADDEN & MOORE, P.C.



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Attorney for Progress Energy Carolinas, Inc.

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2011-158-E**

In Re:)
)
Application of Duke Energy Carolinas,)
LLC and Progress Energy Carolinas,)
Inc., to Engage in a Business)
Combination Transaction)
)
)
_____)

CERTIFICATE OF SERVICE

This is to certify that I, Bonnie D. Shealy, an attorney with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the person(s) named below the **Response of Duke Energy Carolinas, LLC and Progress Energy Carolinas, Inc. to Joint Motion to Hold Proceeding in Abeyance** in the foregoing matter by email and/or by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

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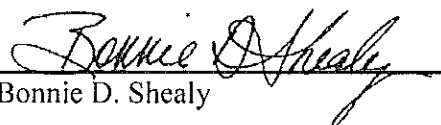
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Dated at Columbia, South Carolina this 10th day of October, 2011.


Bonnie D. Shealy